

CITY OF MIAMI BEACH
Office of the City Manager
Letter to Commission No. 197-2005



To: Mayor David Dermer and
Members of the City Commission

Date: July 25, 2005

From: Jorge M. Gonzalez
City Manager

Subject: New World Symphony – Soundspace Project Status Report

On September 8, 2004, the Mayor and City Commission adopted Resolution No. 2004-25681, approving Concept Plan #4 presented by the NWS; referring the issue of the Park design to the Finance and Citywide Projects Committee; requesting the Design Review Board to do a preliminary design review and send it back to City Commission for review and approval; and addressing the parking space issue.

By way of background, Concept Plan #4 provides for Soundspace and related support structures, including the garage, to be situated on the surface parking lot west of Drexel Avenue and for a park and function/performance space area to occupy the lot east of Drexel Avenue. The main entrance lobby and drop-off area would be on Drexel Avenue, with support and classroom space occupying the south side of the lot. The garage would be located on the west side of the lot, with entrance and egress located on Pennsylvania Avenue. In order to enhance the facility's visibility from Lincoln Road and the surrounding area, the main entrance is characterized by a 65-75ft-high architectural element. The plan also calls for Drexel Avenue to meander eastward into the Park between Lincoln Lane and 17th Street, which provides a unique opportunity to integrate Drexel Avenue into the design of Soundspace, creating a true public plaza-type feel and providing the ability to close the street during certain Park-related events. As part of Concept Plan #4, an integrated park component was incorporated in the project site.

Pursuant to the direction of the City Commission on September 8, 2004 and consistent with the Planning Board's August 24, 2004 recommendation that the entire two (2) blocks, including the Park, be designed as an integrated site, Gehry Partners LLP was asked to submit a proposal and cost estimate to undertake design services for the proposed Park. The proposal was submitted for review by the Finance and Citywide Projects Committee at its meeting on October 26, 2004.

It should be noted that as basis for preparing the cost estimate, a coordination meeting was held between Gehry Partners and Chen and Associates, the firm engaged by the City to undertake the City Center right-of-way (ROW) improvement program. The purpose of the meeting was to define the respective firms' scope of work relative to those street improvements immediately surrounding the 17th Street Surface lots. For the purpose of this discussion, Gehry Partners developed a site plan, dividing the site and the immediate area surrounding the site into a series of seven zones, in order to come up with add-alternate pricing for the City's consideration. A site map reflecting these zones is included in this

report. The proposal comprises add-alternate pricing for Zone 1, comprising the east surface lot and Drexel Avenue; Zone 2, comprising the area adjacent to TOPA; and Zone 3, encompassing Lincoln Lane. The areas in Zones 4 through 7, fall under Chen & Associates' scope of work.

The total cost for Zone 1, comprising the park, Drexel Avenue and improvements adjacent to the new garage, has been estimated at \$10 Million in 2008 dollars. It is important to note that this number represents a "build-to" number rather than a set cost for the entire Project. Zone 2, comprising the TOPA entry landscaping has been estimated a \$1,150,000 and Zone 3, comprising Lincoln Lane improvements, at \$500,000.

During the Finance and Citywide Projects Committee meeting, Commissioner Gross emphasized the importance of enhancing the connection between Convention Center Drive and Lincoln Road via Pennsylvania Avenue.

The City Manager emphasized the fact that even though Gehry Partners was engaged by the NWS, the City will retain discretion over the design of the Park component. Furthermore, the NWS has committed to using a Basis of Design (BODR) process, to include community design workshops in developing its plans for the Park, and requiring City Commission approval of the final Park Project design.

The Committee recommended in favor of amending the Development Agreement between the City and NWS to expand the NWS' scope to include the design and development of the Zone 1, comprising the park, Drexel Avenue between North Lincoln Lane and 17th Street and improvements adjacent to the new garage, at the Owner's cost and expense, not to exceed \$10,000,000; Zone 2, comprising the Theater of the Performing Arts entry landscaping at the Owner's cost and expense, not to exceed \$1,150,000; and Zone 3, comprising North Lincoln Lane improvements, at the Owner's cost and expense, not to exceed \$500,000.

On December 8, 2004, the Mayor and Commission held a duly noticed public hearing to consider on first reading, a first amendment to the Development Agreement relative to the City and NWS' respective responsibilities regarding the design and construction of the Park Project. At such time, the Mayor and City Commission discussed the proposed first addendum and expressed concerns with proceeding with the Park Project and the corresponding commitment of expenditure of funds, without ensuring NWS commitment to proceed with its Soundspace project.

On January 26, 2005, a meeting was held in which the NWS informed the City that it was not prepared to formally announce the status of its capital campaign.

Based on the City's request for assurances that Soundspace will proceed, the parties discussed the importance of developing the Project as one integrated site and as such, the importance of continuing the planning process without delay. In recognition of this, the City has requested that the Architect provide a not-to-exceed estimated cost to prepare schematics for the Park component, culminating in a Basis of Design Report (BODR). In

addition, the City and the NWS need to finalize discussions relative to the Architect's scope, to include defining the site boundaries and responsibilities relative to North Lincoln Lane. The City should then discuss and determine if it will commit to the level of funding to fund the BODR with the NWS' subsequent commitment to provide evidence of funding for Soundspace at such time before the City would proceed further in developing construction documents for the Park. Therefore, the City's only commitment, at risk, would be the funding of the BODR.

A follow-up meeting was held with NWS on March 15, 2005, to introduce Gonzalo Cortabarría, a representative of Hines, NWS' new Project Manager and to provide information relative to the permitting process and costs to be anticipated with the Soundspace Project. NWS indicated that it was still not sure as to when it would be prepared to make any formal announcements or proceed with the amendment to the Agreement. Consequently, at the City Commission Meeting on April 20, 2005, the Administration recommended putting on hold the public hearing process to amend the Agreement and to refer the discussion to the Finance and Citywide Projects Committee at such time that the NWS is prepared to proceed.

Since this time the Administration has been working with Hines, to provide the basis for estimating permit and impact fees related to the Project. In May, staff was informed that the estimated Soundspace Project costs had come in higher than NWS' expectations, requiring a value engineering process to revisit the numbers.

The next milestone to be achieved pursuant to the Development Agreement involves delivery of the preliminary plans and specifications for the Soundspace Project on or before January 8, 2006, (16 months from the date of the City's approval of the preferred Concept Plan, which occurred on September 8, 2004). On July 19, 2005, Staff met with NWS and representatives from Hines to ensure that progress was being made towards achieving this deadline. NWS assured the City that design of the Project was indeed progressing and that the preliminary plans and specifications would be submitted for the City Manager's review within the specified time frame. NWS also reported that for the purpose of finalizing discussions with the City relative to the amendment language in the Development Agreement, it was working on developing cost estimates to prepare the conceptual design schematics for the Park as well as to undertake the BODR process.

The attached time line has been prepared, reflecting actual milestone occurrences that have been achieved since the execution of the Development and Lease Agreement with NWS, as well as projected outside dates for deliverables as provided for in the Agreements.

JMG: [signature]
Attachments

**New World Symphony – Soundspace Project
Development Agreement Timeline Projection
(As of July, 2005)**

<u>Date</u>	<u>Event/Milestone (Actual Occurrences)</u>
01/05/04	Development & Lease Agreement with NWS approved.
03/29/04	Three project concept plan alternatives presented and reviewed by CMB.
05/25/04	Preliminary Planning Board review of plan alternatives.
07/29/04	Three new concept plan alternatives presented to CMB for consideration – maintaining Drexel Ave open to traffic.
08/24/04	New concept plan alternatives presented to Planning Board. Concept Plan #4 favored.
09/08/04	Project Concept Plan approval by City Commission (Default deadline for Commission approval – 10/01/05 sec 2.2) Referral to Finance Committee to consider amending Development Agreement to include design and development of the Park.

Commence preliminary plans/specs (16 months) Sec 2.3(b)

10/26/04	Finance Committee recommends in favor of amending Development Agreement to expand the NWS' scope to include the design and development of the Zone 1, comprising the park, Drexel Avenue between North Lincoln Lane and 17 th Street and improvements adjacent to the new garage, at the Owner's cost and expense, not to exceed \$10,000,000; Zone 2, comprising the Theater of the Performing Arts entry landscaping at the Owner's cost and expense, not to exceed \$1,150,000; and Zone 3, comprising North Lincoln Lane improvements, at the Owner's cost and expense, not to exceed \$500,000.
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<u>Projected Outside Date(*)</u>	<u>Event/Milestone</u>
Pending	(Tentative) 1st Reading of First Amendment to Development Agreement (pending finalizing of NWS funding commitments)
Pending	2 nd Reading of First Amendment to Development Agreement

Note: Agreement currently does not address providing evidence of funding commitments by NWS, the timeline related thereto or capping level of CMB's funding commitment towards BODR process. These issues will have to be addressed in finalizing amendment language.

<u>Projected Outside Dates(*)</u>	<u>Event/Milestone</u>
01/08/06	Preliminary plans/specs to Owner (2 months) Sec 2.3(b)
03/08/06	Submit preliminary plans/specs to DRB (6 months)
09/08/06	DRB approves preliminary plans/specs
09/08/06	Commence final plans/specs (14 months) Sec 2.4
11/08/07	Final plans/specs to Owner (1 month)
12/08/07 months)	Final plans/specs to Planning Board for approval (3 months)

Note: Prior to obtaining building permit, CMB & NWS to negotiate Management and Operating Agreement for programming of Screen.

02/08/08	Apply for Building Permit (3 months)
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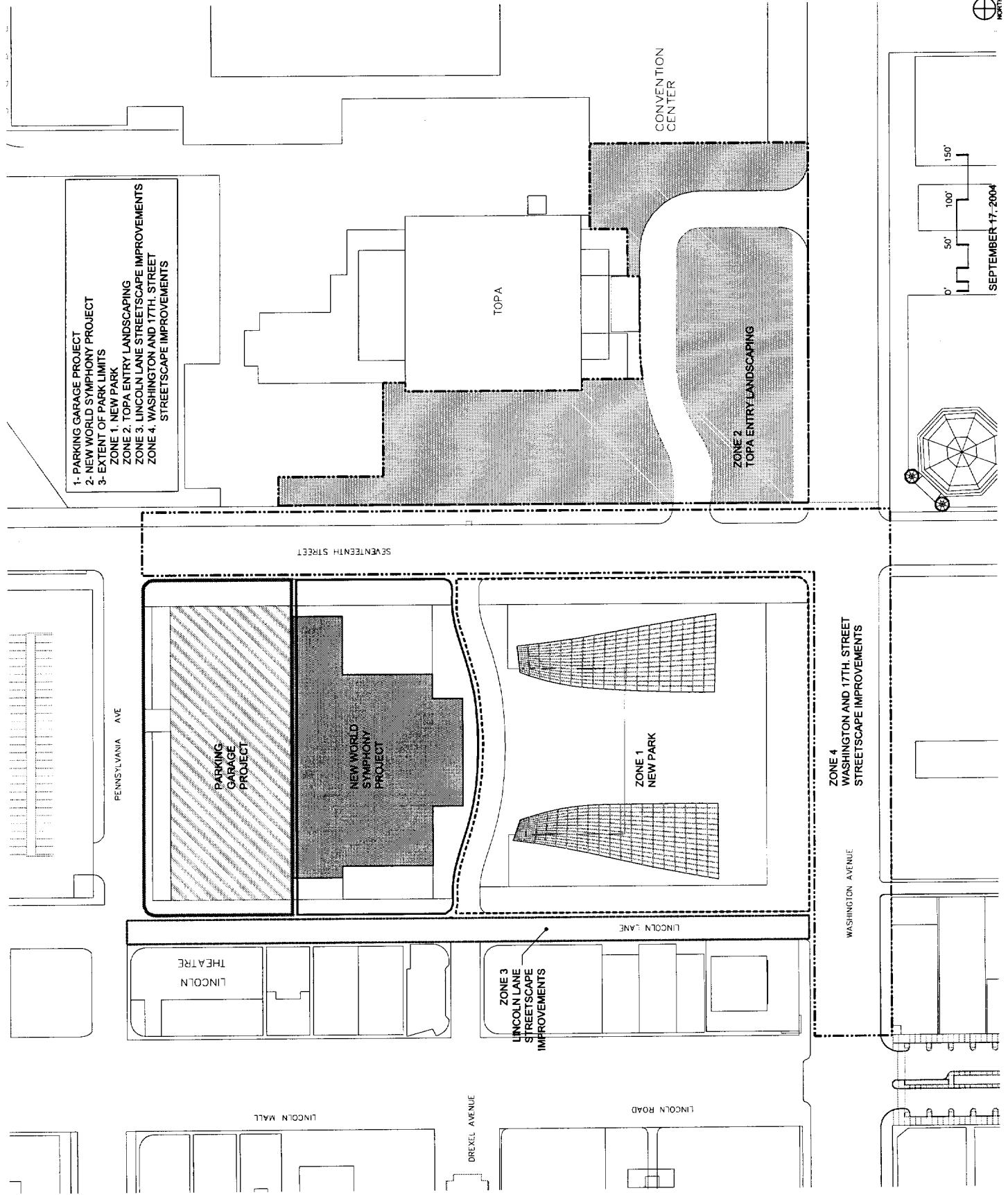
Note: Prior to commencing construction, payment and performance bond to be provided to CMB or Letter of Credit = to 100% of cost of improvements.

05/08/08(**)	Commence Construction Sound Space and Garage
06/30/09	Est. Completion of Garage (13 mos)
07/08/10	Est. Completion of Sound Space (26 mos)

Note: (*) Estimated outside dates based upon time frames specified in referenced sections of Development Agreement.

Note: ()** Construction cannot commence until the earlier of (a) CMB has completed construction and begun operating City Hall Exp Garage or (b) alternate replacement parking acceptable to CMB has been identified by NWS; or (c) May 30, 2007.

Note: Timeline does not include Park component, pending amendment to Development Agreement.



- 1- PARKING GARAGE PROJECT
- 2- NEW WORLD SYMPHONY PROJECT
- 3- EXTENT OF PARK LIMITS
- ZONE 1. NEW PARK
- ZONE 2. TOPA ENTRY LANDSCAPING
- ZONE 3. LINCOLN LANE STREETSCAPE IMPROVEMENTS
- ZONE 4. WASHINGTON AND 17TH STREET STREETSCAPE IMPROVEMENTS